



# ASTANA CALLING

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## **Strategic Partnership Confirmed As Kazakh President Visits Italy**

President Nursultan Nazarbayev paid an official visit to Italy on November 4-5, meeting with and Prime Minister Silvio Berlusconi.

Presidents Nazarbayev and Napolitano discussed a wide range of cooperation issues between the two countries, identified prospects of positive interaction in political, economic, and humanitarian fields. The two presidents noted their close positions on most international problems including nuclear non-proliferation and disarmament, Middle East settlement, and the stabilization of Afghanistan. The Italian President highlighted the



Kazakhstan’s President Nursultan Nazarbayev (L) shakes hands with Italian President Giorgio Napolitano after talks held in Rome.

importance of Kazakhstan's forthcoming OSCE chairmanship and supported Nursultan Nazarbayev's proposal to hold the organization's summit next year in Astana.

"This would be an important event because the organization had not met at the top level since the Istanbul summit back in 1999. There are many processes and challenges in the contemporary world making it worth to gather for useful discussions," the Italian President noted.

Later Nursultan Nazarbayev met Prime Minister Silvio Berlusconi. Following that meeting, Kazakhstan's Secretary of State - Minister of Foreign Affairs Kanat Saudabayev and Italy's Foreign Minister Franco Frattini signed a treaty of strategic partnership between the two nations.

After the ceremony, Nursultan Nazarbayev stated his government would try its best to justify the strategic character of the Kazakh-Italian partnership. In his own speech, Silvio Berlusconi thanked the Kazakh president for his valuable contribution to establishing friendly relations between two of their nations.

"I am confident we would successfully continue our efforts to advance further Kazakh-Italian economic ties," Prime Minister Berlusconi claimed.

Earlier during the day, President Nazarbayev held meetings with top managers of a number of Italian companies investing in Kazakhstan's economy.

With Paulo Scaroni, CEO of Eni corporation, the Kazakh president discussed the company's activities at the Kashagan oil field. Mr. Scaroni said the project's first oil would be extracted in 2012. He also informed the President of Eni's work on enlarging supplies from local producers in their projects in Kazakhstan.

Later the same day Eni signed a preliminary agreement on cooperation with KazMunaiGaz, Kazakhstan's national oil and gas company. If the parties confirm their interest after more detailed studies of technical and financial issues, the two companies could collaborate on prospecting new hydrocarbon fields on the Caspian shelf, upgrading Pavlodar oil refinery, and construction of a gas processing plant, a gas based power plant, and a shipyard in west Kazakhstan.

With Dietmar Rampl, Chairman of UniCredit group, President Nazarbayev discussed the corporation's work in Kazakhstan's financial market, where Italians own ATF Bank, one of the country's six largest banks. The Kazakh leader also had a meeting with Pier Francesco Guarguaglini, CEO of Finmeccanica, which is Italy's second largest industrial group and one of the leading hi-tech companies working in aerospace, automation, transport, energy, defense and security.

Among other important events on Thursday the Institute of Italy's foreign trade hosted the bilateral business forum, which was attended by approximately 150 Italian and 50 Kazakh companies.

"Italian companies expressed a major interest in cooperation with Kazakhstan. Bilateral agreements on projects costing around one billion USD in total have been signed at the forum," Kazakhstan's Minister of Economy and Budget Planning Bakhyt Sultanov told the news media.

As of 2008, Italy is the third largest trade partner of Kazakhstan trailing Russia and China with 14 billion USD of trade turnover. Italian companies have invested 4.5 billion dollars, while Kazakh investments in Italian economy equaled 1.5 billion dollars. Ninety-seven joint Kazakh-Italian companies work in Kazakhstan.

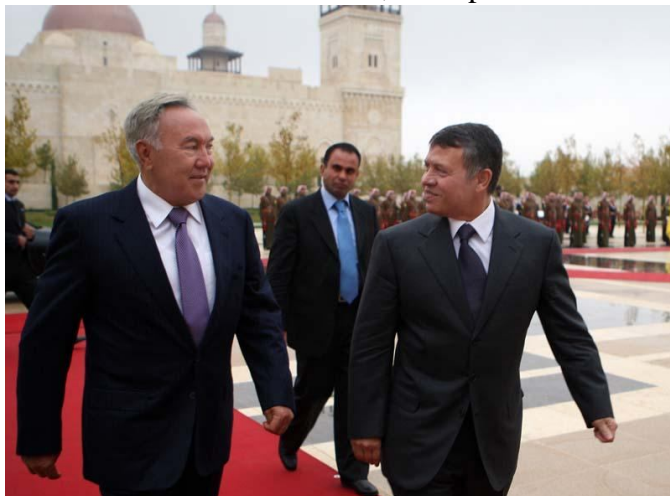
President Nazarbayev also used his visit to Italy to hold talks with Jacques Diouf, Director General of UN Food and Agriculture Organization. After the meeting, the FAO head announced plans to send a special representative to coordinate their activities in Kazakhstan.

"Kazakhstan is an important member of the FAO in the context of food security. We are happy that the nation works on delivering humanitarian aid within their region and beyond," Jacques Diouf stated.

On November 6, President Nazarbayev was received by Pope Benedict XVI at the Vatican and also met with the Vatican Secretary of State Cardinal Tarcisio Bertone. (See next issue of Astana Calling for a detailed story on this meeting.)

## Kazakhstan and Jordan Seek Stronger Ties

President Nursultan Nazarbayev of Kazakhstan paid an official visit to the Hashemite Kingdom of Jordan on November 3-4 where he held talks with, discussed prospects of enhancing mutual trade and investments, and opened a festival of Kazakhstan's culture.



Jordan's King Abdullah II (R) meets President Nursultan Nazarbayev in Amman.

Photo by Akorda.kz

President Nazarbayev and King Abdullah II, at the Al Hummar royal palace in Amman, discussed the current state and future prospects of bilateral relations, as well as regional and international issues of mutual concern.

The Kazakh-Jordanian business council held the same day in Amman witnessed the interest on both sides in cooperation in trade, energy, pharmaceuticals, military technologies, tourism and culture.

The talks showed Jordan's interest in resuming supplies of Kazakh grain, which were discontinued two years ago due to the high cost of transportation through Russia and Ukraine. Between 2002 and 2006, Jordan imported 820,000 tons of grain from

Kazakhstan. The country consumes one million tons of grain annually, and local agriculture produces only ten percent of the figure.

"This year, Kazakhstan had a record grain harvest of 23 tons. Thanks to new agreements with the transit countries, the price for transportation has been reduced, thus significantly lowering the final cost of our grain. Kazakhstan, in its turn, can import fruits and vegetables from Jordan during winter months," Kazakhstan's Minister of Agriculture Akylbek Kurishbayev said.

During the visit, Jordan's Hikma corporation launched negotiations with Kazakhstan's Samruk-Kazyna National Wealth Fund on a project of building a new pharmaceutical plant in Kazakhstan.

One of the few Middle Eastern countries poor in its own natural energy resources, Jordan considers building a nuclear power station in the country by 2015. The two sides discussed potential for Kazakh uranium supplies for a Jordanian reactor, which could possibly be built by a Russian company.

President Nazarbayev and King Abdullah II also discussed possible cooperation between Kazakhstan and Jordan in defense industry, as both countries possess facilities for producing, servicing and upgrading modern military equipment.

Against the background of a festival of Kazakh culture in Jordan and the promotion of sister city links between the two capitals of Astana and Amman, the two states adopted a special program for the period of 2009-11 to promote tourism.

Kazakhstan and Jordan established diplomatic relations in 1993. It was the exchange of state visits by the leaders of two countries in 2005-2006, however, as well as King Abdullah's visits to Astana in 2007 and 2008 which gave a serious boost to bilateral collaboration. The exchange of embassies took place in 2007. Kazakhstan and Jordan hold similar positions on the issue of peace settlement in the Middle East and other international problems, and often support each other in their political initiatives. The trade turnout saw a sharp increase from 22 million USD in 2007 to more than 70 million USD in 2008, of which the major part is constituted by Kazakh exports.

## Top Roles in OSCE and OIC 'Unique Opportunity' for East-West Dialogue

President Nursultan Nazarbayev said Kazakhstan's chairmanship in the Organization for Security and Cooperation in Europe in 2010 and in the Organization of Islamic Conference in

2011 provides it “a unique opportunity to make a practical contribution to the dialogue between the Muslim East and the West.”

According to the President, Kazakhstan’s forthcoming chairmanship of the OSCE has “a very historic and symbolic significance,” as the country will be the first country from the post-Soviet space to chair the organisation. This will also happen on the 35th anniversary of the OSCE, which brought together countries in an area from Vancouver to Vladivostok.

In a November 5 interview with *Jordan Times*, President Nazarbayev listed key features of modern day Kazakhstan as “an anchor and a generator of stability in the region,... a stable state in the region that has avoided ethnic and religious conflicts,... a predictable and credible partner with huge resources for interaction with all its neighbours.”

“Kazakhstan’s leadership of the OSCE is of great significance for most of the organisation, stressing the validity of the principle of equality of all states. Kazakhstan believes in the need to adapt the OSCE activities to the interests of all its members and considers the forthcoming chairmanship a good opportunity to give a “new breath” to the organization,” President Nazarbayev said.

By chairing the OSCE, Kazakhstan seeks to gain a unique experience in enhancing regional security and stability, socio-economic development, the promotion of tolerance and multiculturalism. On the other hand, “The OSCE will significantly enrich our experience and vision of the diversity of the modern world and the various ways of building an open democratic society,” the President noted, adding that Kazakhstan will try “to bring new impetus to the desire of the OSCE to more rapidly and adequately respond to new threats and challenges.”

Kazakhstan will also continue to implement its special programme, “Path to Europe,” which reflects Kazakhstan’s interest in broader cooperation with European countries in the fields of energy, transport transit, transfer of high technology, education and humanitarian cooperation.

At the same time, Kazakhstan’s chairmanship of the OSCE in 2010 and of the OIC in 2011 provides it a unique opportunity to promote the dialogue between the Muslim East and the West.

“The most important and topical issue, in our opinion, is fostering intercultural, inter-religious and inter-civilisational dialogue. We see the success in harmonisation of relations through mutual spiritual and cultural values,” the President commented.

In this regard, Kazakhstan is not just a supporter, but also an initiator of processes aimed at promoting dialogue in the political and spiritual spheres. A successful example is the Congress of Leaders of World and Traditional Religions. In July 2009, the Third Congress of Leaders of World and Traditional Religions took place. Religious leaders from around the world appealed to the international community to recognise the necessity to continue the interfaith dialogue based on mutual respect, cooperation and tolerance.

“Having a positive experience in preserving ethnic harmony and unity, we would like to contribute and present our own vision for the development of dialogue in the political sphere,” President Nazarbayev stressed. The basic idea behind it was the harmonisation of relations between the Muslim and Western civilisations in the political aspect. We hope that we will be able to continue such successful experience during our leadership of OSCE in 2010, and the OIC in 2011.”

### **Constitutional Council: Customs Union Acts above Domestic Regulations**

Kazakhstan’s Constitutional Council on November 5 ruled acts of the Commission of Customs Union, formed by Kazakhstan, Belarus and Russia, would have a clear priority over the country’s domestic laws.

The decision came after Prime Minister Karim Massimov appealed to the council to clarify possible application of the Constitution’s Article 4 to the acts of Customs Union. Paragraph 3 of this article states ratified international agreements stand above the country’s laws and have direct force except in cases when an agreement stipulating its application requires adoption of a new domestic law.

Kazakhstan signed the Treaty on the Commission of Customs Union on October 6, 2007, and ratified it on June 24, 2008. Some of its acts would have a binding force on member states,

and Prime Minister Massimov wanted to clarify the issue of their possible contradictions with the national legislation.

“Acts of international organizations and their appropriate bodies, established by international treaties, including the Customs Union, stand above the nation’s domestic regulations and have direct force,” the Constitutional Council concluded.

Chairman of the Council Igor Rogov said if Kazakhstan disagrees with founding acts of the Commission, the country can appeal against them in a council of the heads of member states, which is the Customs Union’s supreme body and whose acts are consensus based only.

“If Kazakhstan recognizes a certain act as damaging its national interests or breaking its sovereignty, the country can veto it then at the level of Union’s supreme body”, Igor Rogov added.

At the same time, the Council said the rule of “international agreements above domestic regulations” cannot apply to acts which damage citizens’ constitutionally guaranteed rights and freedoms, or break the Constitution’s norms on the state’s sovereignty within its borders and impossibility of changing its unitary structure, territorial integrity, and form of government.

Kazakhstan’s Constitutional council is a body which has an exclusive right to officially interpret the Constitution. Among its seven members, who during their six-year mandate have immunity from legal prosecution, Chairman of the Senate and Chairman of the Majjilis appoint two members each, while President appoints the remaining three, including chairman of the Council. Former presidents would be its lifelong members as well.

The President, the Prime Minister, the chairmen of the Parliament’s chambers and a group of at least one fifth of members of Parliament have the right to file a case to the Council in order to clarify their doubts on constitutional issues. The Council’s normative actions have a force of acting laws. President has the right to veto them, but the council’s majority of two thirds is capable of overcoming it.

## **Kazakhstan to Stick to Kyoto Commitments**

Kazakhstan aims to reduce its greenhouse gas emissions into the atmosphere by 15 percent by 2020, and by 25 percent by 2050, in full accordance with the Kyoto Protocol, the country’s Ministry of Environmental Protection Nurgali Ashimov said November 4.

The announcement, made at a conference in Barcelona was greeted with commendation from other nations. It comes with only a few weeks before the UN Climate Change Conference on December 7-18 in Copenhagen, Denmark. Earlier this year, Kazakhstan ratified the Kyoto Protocol. The percentages are given in comparison with 1992 as the base year.

The agreements on Kazakhstan’s input into appropriate international efforts were achieved in Barcelona, Spain. Here the country’s delegation participated in a double event, which encompasses the seventh session of the Ad Hoc Working Groups on cooperative action and further commitments of parties to the Kyoto protocol.

At a plenary session of the Ad Hoc Working Group on long-term cooperative action under the Convention, head of the Australian delegation, chair of Umbrella Group, which includes Kazakhstan, spoke of Kazakhstan’s commitments regarding emissions. She emphasized the importance of these commitments and called on other nations to follow Kazakhstan’s example.

Kazakhstan announced its intention join Annex I to the Kyoto protocol a few years ago. The parties fulfill common projects aimed at cutting greenhouse gas emissions, which are added to the countries’ “accounts” and contribute to fulfillment of their appropriate obligations. Accordingly, national governments may also share their common emission “units”. It is estimated the ratification of Kyoto protocol may allow Astana to attract up to one billion USD in foreign investments annually.

Since 2000, as stipulated by international recommendations, Kazakhstan has conducted its own stock-taking of greenhouse gas emissions. Back in 1992 the nation emitted up to 340 million tons of CO<sub>2</sub> equivalent. Currently Kazakhstan has only 247 million tons of greenhouse gas emissions. Hence, the government possesses a reserve of 93 million tons available for sale.

Meanwhile, in Barcelona negotiations have continued on a new agreement (previous stages held recently in Bonn and Bangkok), whose approval had been planned for the 15<sup>th</sup> Conference of the Parties of UN Framework Convention on Climate Change next month in Copenhagen.

However, closer to the end of the gathering, it became clear that adopting an approved project of a post-Kyoto agreement in time for being considered in Copenhagen was unlikely. This happened due to continuing disagreements between some governments participating in the process, as well as dissatisfaction of environmental NGOs with the settlements achieved so far.

## **Kazakh Section of Western Europe - Western China to Be Built by 2015** (Government discusses development of country's transport infrastructure)

The government expects to complete all works on renovation and reconstruction of Kazakhstan's part of the international transit corridor to create a new road link between Western Europe and Western China by 2015, Minister of Transport and Communications Abulgazy Kussainov said.



Kazakhstan does have the potential to serve as a bridge between the East and the West.

Photo by National Company Kazakhstan Temir Zholy

“Western Europe - Western China” road has been Kazakhstan's main project in the field this year.

“In order to improve chances for domestic companies' involvement in the project the corridor is divided into 33 lots. Competitive procedures for 18 sites are currently nearing completion. We are going to sign first contracts later this month. For the remaining 15 sites we'll conduct competition in the first quarter of the next year. We expect to complete construction works in 2013,” the Minister reported.

Of the total cost of 5.2 billion USD a larger share of 3.4 billion USD has been secured as loans from the Asian Development Bank, the European Bank for Reconstruction and Development, IBRD, the World Bank and other institutions.

The “Western Europe – Western China” transit corridor will establish a new alternative to maritime and railroad transportation between two of world's leading economies. Once completed, it would secure transportation of commodities by trucks from one of its end points to the other in 11 days compared to 45 days of shipping by sea. Kazakhstan's section makes 2,787 km (1,731 miles) out of the 8,445 km (5,247.48 miles) of the transit corridor's total length.

Prime Minister Karim Massimov said funding for the railway industry would also see a serious increase beginning in 2010. For this purpose, the government plans to allocate five trillion tenge (KZT 150 = US \$ 1) within the next ten years.

“We need to create the infrastructure to complete construction of the Khorgos-Zhetygen railway which would create a shortcut from the Kazakh-Chinese border to the nation's main economic hub of Almaty. We need to build a grain terminal at Khorgos. The government should

On November 3, a Kazakhstan government meeting discussed projects aimed at improving the nation's transport infrastructure. During the first ten months of 2009, works have commenced on the construction of new rail links to Chinese and Turkmen borders. A new rail line, which cut travel time between the largest cities in eastern part of Kazakhstan, Almaty and Ust-Kamenogorsk, by almost ten hours, has also been launched into full-scale exploitation.

Abulgazy Kussainov believes, however, that the launch of major works on reconstruction of the

also solve the problem of transporting grain to the Persian Gulf via Iran”, the Prime Minister stated.

Yermek Kizatov, vice president of Kazakhstan Temir Zholy (Kazakhstan railways) company, reported: “The volume of investments required to implement the government’s program, ‘Development of Railway Transport till 2020,’ is more than five trillion KZT. The appropriate investment program is to be funded by our company, the state budget funds and private capital. In accordance with this program we would purchase more than 76,000 freight rail cars, 1,700 coaches and 1,500 locomotives manufactured at domestic enterprises. Also, the program implies modernization and update of more than 10,000 kilometers of rail tracks.”

At its meeting, the government also considered the effects of ‘Road map’ works on rehabilitating roads of regional significance, as well as ways to facilitate the growth of national aviation services. Government support for small-scale aviation was actively urged as well.

### **Guinness Book Girl from Pavlodar Named “Best Young Opera Singer”**

Kazakhstan-born Masha Mudryak, a student of the Milan Music Academy (Scuola Musicale di Milano) of the famous La Scala Theatre, has won a prestigious Best Young Opera Singer award named after the renowned international opera star Magda Olivero.

In 2000, Masha Mudryak, who comes from Pavlodar in northeastern Kazakhstan, was mentioned in the Guinness Book of Records as the world’s youngest opera singer. At six, she already issued a CD. The record went on to sell 25,000 copies in Kazakhstan, other post-Soviet countries, as well as in Germany, Poland, and Bulgaria.

Masha Mudryak has a very rare voice, high mezzo-soprano with a coloratura soprano. This is the highest feminine opera voice with virtually no analogues on world opera stages. Last year, the girl singer was granted a certificate recognizing her ‘readiness for opera ligament loads,’ which is usually awarded at the age of seventeen.

At 12, Masha was enrolled to study at the Milan Academy of Music as a gifted student. In 2005, she became the youngest recipient of the presidential Bolashak scholarship in the history of Kazakhstan. In 2007, she had the honour of opening an international classical music competition in St. Petersburg, Russia. In recognition of her role in improving the country’s international image, Kazakhstan’s Ministry of Education and Science awarded Masha Mudryak with a special diploma.

Masha sings with the La Scala choir, and is involved in staging *Tosca*. She is now enrolled in the ‘Scuola Musicale di Milano’ to study Bel canto at the conservatory-level program. She is currently a student of Carlo Gayfa, a maestro with 50 years of experience of singing at La Scala. In addition to the Scuola, she also attends courses at the State Conservatory of Giuseppe Verdi and the Milan Institute of Cinematography.



Talented girl from Pavlodar Masha Mudryak became the first foreigner and the youngest singer to participate in performances at the Teatro alla Scala.

Photo by Valeniy Bugayev

### **Also in the news**

- Kazkommertsbank, the country’s largest lender, announced this week it repaid a Eurobond of about 500 million USD using own funds. “Hopefully the international financial community will consider this act as an indication of reliability of

Kazkommertsbank and of the nation's banking sector in general," the Bank's management said November 3. Kazakhstan's biggest bank is owned by a group of private domestic and foreign investors, while the Kazakh government holds a 21 percent stake since February 2009.

- Konstantin Zhigalov, Kazakhstan's Deputy Minister of Foreign Affairs, on Wednesday held talks in Belgrad with Serbia's Minister of Foreign Affairs Vuk Jeremic. The Serbian diplomat confirmed his plans to pay an official visit to Kazakhstan in the first half of 2010 and informed of his country's intention to open an embassy in Astana next year. Agreement to exempt holders of the two countries' diplomatic and servicemen passports from visa procedures was also signed. Earlier this week Kazakhstan and Spain also agreed on exempting holders of diplomatic passports from visa procedures.
- Kazakhstan opened its honorary consulate in Australia, which is based in Perth's, the largest city in western part of the country. Yerlan Baudarbek-Kozhatayev, Kazakhstan's Ambassador to Singapore and Australia, expressed his hope Honorary Consul Jason Stribinskis would contribute to promotion of trade and economic cooperation between the two countries.
- Kazakhstan proposes to declare 2010 the "International Year of Rapprochement of Cultures and Religions". The initiative was discussed in Mecca, Saudi Arabia, at a meeting of vice-speaker of the Senate (upper house of parliament) Mukhambet Kopeev of Kazakhstan with General Secretary of the World Islamic League Abdullah Al-Turki.
- The 17th season of Kazakhstan Football Premier League has ended this Monday. The Aktobe football club retained their champions' trophy. This is their fourth success in history. Next year they hope to equal the national record of five titles currently claimed by Irtysh Pavlodar.

### **Things to Watch:**

- On November 7, the final of President's Tennis Cup in Astana will take place in Astana. The tournament with a prize fund of 125,000 USD is part of prestigious Challenger ATP Tour. Among the four semifinalists Ilya Marchenko of Ukraine, who recently reached semifinals of Kremlin Cup in Moscow, Andrei Golubev of Kazakhstan, Bjorn Phau of Germany, and Konstantin Kravchuk of Russia.
- The city of Shymkent in south Kazakhstan will host the Kazakh-Iranian Business Forum on November 10-12. Kazakhstan's Ministry of Industry and Trade organizes the event. According to the press service of KAZNEX State Corporation on promotion of exports, attendance by around 120 Iranian companies is expected, which are interested in purchasing Kazakh grain, food products, construction materials, cotton, and metal tools.
- On November 11, Kazakhstan's Red Crescent Society holds public hearings in Astana on the organization's role in reducing vulnerability of the population to medical and social problems. The event aims to inform participants about the international movement of Red Cross and Red Crescent societies, and its 2009 global campaign under the motto of "Our world. Your move". Representatives from the Parliament, ministries, international organizations, diplomatic corps, private companies, and news media will attend.



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